

Message Text

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TAGS: ECON, YO
SUBJECT: TOURISM DECLINES IN YUGOSLAVIA

1. BEGIN UNCLASSIFIED

FIRST OFFICIAL FIGURES INCLUDING KEY MONTH OF JULY SHOW DECLINE IN TOURIST TRAFFIC ALL THROUGH YUGOSLAVIA. LATEST FIGURES FROM THE FEDERAL STATISTICAL BUREAU SHOW A 7 PERCENT DECLINE IN FOREIGN TOURIST DAYS SPENT IN CROATIA, WHOSE RESORTS ACCOUNTED FOR 76 PERCENT OF ALL DAYS FOREIGN TOURISTS SPENT IN YUGOSLAVIA IN JANUARY-JULY 1976. EXCEPT FOR MONTENEGRO, WHERE TOURIST VOLUME WAS ONLY ONE-TENTH OF CROATIA'S, TOURIST DAYS IN ALL OTHER REPUBLICS ALSO DROPPED OR STAGNATED. DESPITE THE DECLINE, FOREIGN EXCHANGE EARNINGS WILL PROBABLY EQUAL LAST YEAR'S TOTAL, BECAUSE OF INCREASED PRICES. INDEXES OF FOREIGN TOURIST DAYS IN THE VARIOUS REPUBLICS AND PROVINCES FOR JAN-JUL 1976 ARE AS FOLLOWS: (JAN-JUL 1975 EQUALS 100).
YUGOSLAVIA 95. BOSNIA-HERCEGOVINA 93, MONTENEGRO 104, CROATIA 93, MACEDONIA 94, SLOVENIA 98, SERBIA 100, KOSOVO 89, VOJVODINA 96.

END UNCLASSIFIED

2. COMMENT: RELEASE OF TOURIST FIGURES FOLLOWS NUMEROUS
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REPORTS THAT TOURIST FACILITIES THROUGHOUT THE COUNTRY

OPERATING BELOW

CAPACITY. HIGH PRICES, DEVALUATIONS IN NEIGHBORING COUNTRIES, POOR ROADS ALONG COAST, LIMITED VARIETY OF FACILITIES, ALL BLAMED FOR DECLINE IN TOURISM. SOME HOTELS HAVE REDUCED PRICES, BUT THIS HAS COME TOO LATE TO AFFECT RESULTS THIS YEAR.

IN FACT, BECAUSE OF POOR WEATHER,

AUGUST FIGURES ARE LIKELY TO BE WORSE THAN JULY'S. SINCE ROUGHLY SIXTY PERCENT OF TOURIST TRAFFIC COMES IN JULY AND AUGUST, OVER-ALL OUTLOOK FOR 1976 IS POOR.

3. THIS YEAR'S PERFORMANCE MUST BE PARTICULARLY DISAPPOINTING TO ECONOMIC PLANNERS WHO WERE PROJECTING SEVEN PERCENT INCREASE IN OVERNIGHT STAYS IN 1976-80 PLAN. FOREIGN EXCHANGE EARNINGS WERE EXPECTED TO GROW AT EVEN FASTER RATE, AND EVEN IF LAST YEAR'S NOMINAL TOTAL REACHED, REAL VALUE WILL BE ERODED BY INFLATION. IN 1975, TOURISM EARNED FOR CROATIA ALMOST AS MUCH FOREIGN EXCHANGE AS TOTAL OF ALL ITS EXPORTS.

OTHER REPUBLICS ARE NOT SO TOURIST-DEPENDENT BUT THEY HAVE GROWN USED TO REGULAR INCREASES IN TOURIST INCOME, A POSITION THEY CAN NO LONGER TAKE FOR GRANTED. WE EXPECT SOME DEPARTURE NEXT YEAR FROM YUGOSLAV CONCENTRATION ON CHARTER FLIGHTS AND BLOCK-BOOKING AT MAJOR RESORTS. KAISER

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